

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 20336
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On April 19, 2007, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer) proposing income tax, penalty, and interest for taxable years 2002 through 2005 in the total amount of \$36,863.

The taxpayer filed a timely appeal. He did not request a hearing. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

Tax Commission records showed the taxpayer was an Idaho resident who appeared to meet the Idaho individual income tax filing requirements. The Bureau attempted to contact the taxpayer for an explanation of why his 2002 through 2005 Idaho returns had not been filed, but he did not respond to the inquiries.

[Redacted].

Idaho Code § 63-3045 (1)(a) states:

63-3045. Notice of redetermination or deficiency --
Interest. (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal.

Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

The Bureau prepared the missing Idaho returns on behalf of the taxpayer and sent him a NODD.

The taxpayer protested the determination. He said: “I disagree with the States presumption of this tax amount.” He protested “certain documents of State record which I have reason to believe are inaccurate claims of ‘1099-nonemployee compensation paid on my behalf.’” He did not mention filing returns.

Enclosed with the protest letter was a fully executed Power of Attorney form that allowed the Tax Commission to discuss the matter with a certain accountant (POA). In a letter dated June 19, 2007, the POA asked for an additional three weeks to complete the missing returns. However, when the Bureau contacted the POA on August 24, 2007, the POA said he had not heard from the taxpayer since the day the taxpayer hired him and signed the POA form.

The taxpayer’s file was transferred to the Legal/Tax Policy Division for administrative review. Neither the taxpayer nor his POA responded to a letter from the Tax Policy Specialist that outlined the taxpayer’s appeal rights. To date, the Tax Commission has not received the taxpayer’s 2002 through 2005 Idaho individual income tax returns.

The Bureau used the income information reported [Redacted] in the taxpayer’s name and social security number and records maintained by the Tax Commission to calculate the taxpayer’s Idaho tax amount. No withholding was identified. The standard deduction and credit for one personal exemption were allowed.

The Bureau added interest and penalty pursuant to Idaho Code §§ 63-3045 and 63-3046. The Tax Commission reviewed those additions and found them proper and in accordance with Idaho Code.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support of his argument, the taxpayer has failed to meet his burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated April 19, 2007, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2002	\$ 7,773	\$1,943	\$2,268	\$11,984
2003	13,504	3,376	3,226	20,106
2004	2,772	693	496	3,961
2005	1,378	345	164	<u>1,887</u>
			TOTAL DUE	\$37,938

Interest is computed through January 31, 2008.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of taxpayer's right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2008.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2008, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]

Receipt No.
